

**AMENDMENT IN THE NATURE OF A SUBSTITUTE**  
**TO H.R. 640**  
**OFFERED BY MR. RYAN OF WISCONSIN**

Strike all after the enacting clause and insert the following:

**1 SEC. 1. SHORT TITLE.**

2       This Act may be cited as the “Private Foundation  
3 Excise Tax Simplification Act of 2015”.

**4 SECTION 2. MODIFICATION OF THE TAX RATE FOR THE EX-**  
**5 CISE TAX ON INVESTMENT INCOME OF PRI-**  
**6 VATE FOUNDATIONS.**

7       (a) IN GENERAL.—Section 4940(a) of the Internal  
8 Revenue Code of 1986 is amended by striking “2 percent”  
9 and inserting “1 percent”.

10       (b) ELIMINATION OF REDUCED TAX WHERE FOUN-  
11 DATION MEETS CERTAIN DISTRIBUTION REQUIRE-  
12 MENTS.—Section 4940 of such Code is amended by strik-  
13 ing subsection (e).

14       (c) EFFECTIVE DATE.—The amendments made by  
15 this section shall apply to taxable years beginning after  
16 the date of the enactment of this Act.

1 **SEC. 3. BUDGETARY EFFECTS.**

2       The budgetary effects of this Act shall not be entered  
3 on either PAYGO scorecard maintained pursuant to sec-  
4 tion 4(d) of the Statutory Pay-As-You-Go Act of 2010.

